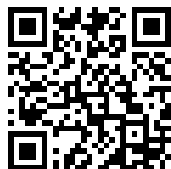

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SOCIALISM

ITS ECONOMIC ASPECT

POLAND

"Socialism means..... that the making of goods for profit shall come to an end." (*National Platform, Chicago, May 5th, 1904.*)

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SOCIALISM

ITS ECONOMIC ASPECT

- I. THE SOCIALISTIC PLATFORM
- II. THE THEORY EXPLAINED
- III. THE THEORY APPLIED

BY

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SOCIALISM

ITS ECONOMIC ASPECT.

I.

THE SOCIALISTIC PLATFORM.

"Labor is the source of all wealth and all culture, and as useful work in general is possible only through society, so to society—that is to all its members—belongs the entire product of labor by an equal right, to each one according to his reasonable wants—all being bound to work.

"In the existing society the instruments of labor are a monopoly of the capitalist class; the subjection of the working class thus arising is the cause of misery and servitude in every form.

"The emancipation of the working class demands the transformation of the instruments of labor into the common property of society and the coöperative control of the total labor, with application of the product of labor to the common good, and just distribution of the same." (*Opening words of the programme of the united socialistic bodies of Germany, laid down in the congress of Gotha, May, 1875—where the collective principle assumed political importance in the formation of the "Socialistic workingmen's party of Germany."*)

"The economic development of civil society necessarily leads to the destruction of small industries, the basis of which is private ownership of the laborer in the means of production. It divests the laborer of all means of production and transforms him into a penniless proletarian, while the means of production become the sole property of a comparatively small number of capitalists and real estate owners.

"Private property in the means of production, which formerly was a means of securing to the producer the ownership of

his produce, has nowadays become a means of dispossessing farmers, laborers and small merchants, and of making the non-laborers—capitalists and landlords—the possessors of the produce of labor. Only the transformation of private capitalistic property in the means of production—i. e., land, mines and mining, raw material, tools, machinery and means of communication—into common property, and the change of private production into socialistic—i. e., production for and through society—can effect that the extensive industry and the ever-increasing productivity of social labor shall become for the downtrodden classes, instead of a fountain of misery and oppression, a source of the highest prosperity and of universal and harmonious perfection.

"The struggle of labor against capitalistic oppression is necessarily a political one. The laboring class cannot carry on its industrial struggles and develop its economic organization without political rights. It cannot effect the transfer of the means of production into the possession of the body social without possessing itself of political power." (*Extracts from the platform of the Socialistic workingmen's party, as adopted at Erfurt, in October, 1891.*)

"With the founders of this republic we hold that the true theory of politics is that the machinery of government must be owned and controlled by the whole people; but in the light of our industrial development we hold, furthermore, that the true theory of economics is that the machinery of production must likewise belong to the people in common.

"Resolved, That we call upon the people to organize with a view to the substitution of the coöperative commonwealth for the present state of planless production, industrial war and social disorder. . . . We call upon them to unite with us in a mighty effort to gain by all practicable means the political power." (*Extracts from the Socialistic labor party platform adopted at Chicago, October 12th, 1889.*)

"Against such a system (the present despotic system of economics; the Socialist Labor Party once more enters its protest. Once more it reiterates its fundamental declaration that private property in the natural sources of production and in the instruments of labor is the obvious cause of all economic servitude and political dependence.

"We, therefore, call upon the wage workers of the United States and upon all other honest citizens to organize under the

banner of the Socialistic Labor Party into a class-conscious body, aware of its rights and determined to conquer them by taking possession of the public powers." (*Extracts from the platform of the Socialist labor party, adopted at New York, July 9th, 1896. — Re-affirmed, verbatim, in the platform adopted at New York, June, 1900.*)

"To unite all persons who are in favor of the coöperative commonwealth as a substitute for the present competitive system." (*Expression of the aim of the Social Democracy of America, at special convention held in Chicago, June, 1897.*)

II.

THE THEORY EXPLAINED.

A question of the hour.

The economic question of the hour is the question of paternal government under that form of socialism which is now coming to be denominated Collectivism. This socialism is something with which every one who by his single vote has a voice in the nation's councils should make himself acquainted. Unfortunately, its fundamental principle is often enough not thoroughly comprehended, not only by antagonists, but even by promoters. The socialism which we are asked to understand is not that which was identified with the Reign of Terror or the Commune. It is not the old-time communism or anarchy. It is an economic theory of state polity which has taken its place in the recognized politics of civilized nations, with a seat in imperial parliaments and a regular ticket in municipal elections. It is not a political economy, but an economic polity.

Abolition of private capital. What is this new socialism, this collectivism? Its fundamental principle, with which alone we propose to deal, and which was announced by Karl Marx more than thirty years ago as the one necessary condition for the true economic social reconstruction, is the *abolition of private capital*. By capital we are to understand capital in the active sense, capital that is applied to production. Idle capital which is not applied in any way to bring a return, and which can be used only to be diminished, is not classed as capital to-day. The final object of socialism is to do away with private capital as applied to every industry, thus to do away with competition; and to substitute for competition a collective ownership of all the means and instruments of production. Whatsoever is to be employed in production is to be put under official control as a collective capital and is to be common property. Results are to be distributed simply according to the contribution of individual labor which each one makes to the common welfare whilst employing the common instruments on the common material.

No competition. In this socialism there can be no private enterprise to yield a return in interest, profit or dividend. That is to say, there can be no competition. Hence there can be no private profit, no private agreement upon wages. Employment can be given only by the one absolute monopolist, the entire community. Wages can be only a certificate of the labor that has been contributed. This certificate is to be redeemable in the results of the common production.

**A wide-spread
theory.**

Howsoever much we may have hitherto despised this theory, it is time for us to see that it is the tenet of the most wide-spread political party in the civilized world. It is a party that knows no fatherland, as it knows no mother-tongue. It has cut itself free from all the prejudices of language and of traditional methods in government. It is even strong enough to-day to concentrate its forces in some constitutional, elective community, and by a single majority-ballot to take possession of the machinery of government.

**A political theory
of labor.**

The final, adequate end, namely, absolute common ownership, is not always stated in its fullness and simplicity in certain common-ownership platforms drawn up at the time of municipal and other elections. The collectivism advocated in these programmes is often limited to those industries where capital has already become sufficiently centralized to manifest the tyranny of monopoly and where the centralization is sufficiently organized to make the transfer to public control an affair of merely passing a law, signing a paper and paying a price. We are not considering here the advantages or disadvantages of *certain* municipal ownerships, as of water, lighting and passenger transport; or of *certain* national ownerships, as of railways, telegraph lines, etc. We are occupied solely with the question of ultimate complete centralization, the abolition of private capital and the common ownership of *all* the means and instruments of production. The tendency of the broad socialistic movement is to *this*, as to an ideal, a goal. We are told that it is only by an

ultimate reconstruction of society upon the basis of common ownership that all men will be enabled to receive a wage commensurate with their labor, a compensation due to them for the benefit which by their labor they bestow upon the community. It is seriously important, therefore, to understand at the beginning and to bear constantly in mind that in dealing with the collectivist theory we are dealing with a political theory of *labor* and not with a theory of idleness, anarchy, nihilism, dynamite or free plunder.

The fundamental principle. In face of this latest scheme for the amelioration of the condition of labor, all the old systems for the reconstruction of society, the systems of St. Simon, of Fourier, etc., have passed into the history of theory. The new system itself is far from being clear, whether as to the details of method or of practically distributed results. However, its fundamental principle, *the consolidation and common ownership of all the means and instruments of production*, is clearly and unmistakably announced. This principle, at least in partial expression, is found embodied as a political tenet in every official socialistic programme that is presented to the people for their suffrage. It is the one point which is found in every socialistic programme without exception. And what is significant of its silent power is that it is recognized by governments the most antagonistic to it, as a policy which may be legitimately presented to the people for their election.

The one solution. In the socialist theory, then, the one sole cause of all the difficulties with

which labor has to contend is free competition in production. This affects everything—the stocking of the market, the wages paid, the price. The wage-earner is at the mercy of the competing capitalist producers. Take away the one cause of the difficulties, take away competition, and the labor question is solved. The only way to be rid of competition is to have no competitors. The only way to be rid of competitors is to have but one producer. The only way to have but one producer is to make all the means and instruments of production absolutely common property and to prohibit all private production for profit or sale.

**The outlook of
the socialist.**

This socialism has entered into the field to win, not by violence, but by the present conventional political means, that is to say, by a majority of votes. Though socialists feel that just now they cannot get this majority for the establishment of the social state, yet they are sanguine of ultimate success. They rely upon the enemy as their best ally in the destruction of the enemy. Under the conditions of industry which have been brought about by machinery and rapid transport, they are waiting for the competitive system to run its course. Within fifty years, the old-time conditions—under which the tradesman owned his lot, his shop, his tools and the fruit of his labor, under which he found his own market and regulated supply to demand—have practically disappeared. Small proprietorships of peasant, mechanic, merchant, have given way to huge agricultural, industrial and mercantile capitalizations. The process goes on with

giant strides. To use the expression of Karl Marx, "one capitalist kills many." The socialist, then, is waiting for large capitals to absorb the smaller. He will thus find created for him a few millionaires on the one hand and a race of wage-earners on the other. The essential preparatory work will be done for him (as he could not do it himself) by the trusts and monopolies, the inevitable outcome of competition. As the capitalists by absorption grow fewer, the workers must increase in numbers, and they must also increase in misery, since they can have nothing to say about production, market or price. This development must go on until the workers revolt by using the legal means of suffrage which has been put into their hands. But when they revolt, it will be as a united, organized, disciplined body, into which they shall have been formed by the very methods of the capitalist system. Then, as capitalists expropriated the many for the benefit of the few, the many will turn around and expropriate the few for the benefit of all. This is the prospective evolution.

The "trust" is one step forward. The plan of allowing all industries first to reduce themselves to a few controlling centres of capital is comparatively slow of execution. But it is regarded by the socialist thinker as a necessary preparation of the masses for the final step by which all the centres will be made one. Hence we do not find socialism attacking centralization. This tolerance it extends even to the matter of huge armies, feeling that when the new era dawns there will be no danger of a military struggle,

since the armies will be made up from the ranks of the workers. Therefore, the socialist leader and thinker is not in a hurry. He knows that from private ownership of all the means of production according to the old competitive method, to common, public ownership of all the means of production, a single leap is an impossibility. He is satisfied with promoting the preparatory work which must necessarily be done, and which is actually being done for him by the monopolies, trusts, huge corporations. These centralizations are an object-lesson which accustoms minds to concede the feasibility of a still more centralized management. In the end, all that the socialist will have to do will be to unite under one management the two, three or four great corporations of a given industry—steel, coal, oil, paper, sugar, tobacco—and then, at one stroke, by a combination of the industries, to eliminate the slavery condition of private capital and reap the fruit of common ownership.

For two reasons. The present phase of the movement, then, may be designated as one of party organization. The chief stimulus used to effect the organization, one that appeals best to individual sensibilities, is the picturing of the misery of labor. This misery is easily admitted to come precisely from the trust, and the trust is as easily proved to be the necessary consequence of private capital. In this is found a solution of what to many seems a contradiction; namely, on the one hand to expose and deplore the misery that comes from concentrated capital, and on the other hand negatively to promote the very

capitalism that intensifies the misery. But there is a double purpose in it all: first, to show the possibility of a still greater concentration; and secondly, by exhibiting the private monopoly as the necessary consequence of competition, to increase discontent and make the suffering people clamor for what is presented as the sole remedy—the placing of all wage-work absolutely under common control. Hence we see the socialists refusing to endorse restrictive legislation against trusts, saying that this can only perpetuate the private competition which has been the root of all the misery; and that the only admissible legislation in the matter is that which makes for common ownership.

The "anarchy" of competition. When we hear them using Proudhon's expression, "Property is robbery," we must be careful to understand that they do not charge the individual property holder of to-day with being a robber. They are attacking a system from which, they concede, the property holder has no escape, but under which the wage earner can never get the value of his work. Under the capitalist system into which competition must necessarily fall, the surplus value of a day's labor, the profit, which once went at least to the small competitor, is now added simply to the accumulations of capital, to minister to the luxury of the few and to strengthen the few in their power of determining the serfdom of the many. The individual capitalist is not blamed for this. He is not accused of personally robbing the wage earner of the surplus value of his work. He is recognized as being the fortunate one in what is called the "anarchy" of

competition, an anarchy upheld by civil statute; and so long as he wishes to compete he must abstract as much as he can from the fruit of labor. It is the system, then, which has to be changed. The root has to be dug up. Competition must be eliminated and in its place there must be substituted, also by law, a collective ownership in which there will be no wage earners and no capitalists as persons adequately distinct. All must be producers for their own benefit in the benefit of all.

A false notion. Once more, we must be on our guard against a prevalent vague notion that the main tenet of the actual socialism, collectivism, is the periodical dividing up and redistribution of all properties, so as to preserve equality of possessions amongst the citizens. Whatever may have been the meaning of some old forms of communism, the socialism of to-day does not contemplate this at all. It aims simply at common ownership of all the means of production, to the end that each one may receive a wage, a compensation due to him for the labor which he has expended upon the common production.

Methods. Still further, we must know that the socialistic system does not propose to dispossess the capitalist brutally, whilst depriving him of the privilege of drawing an interest on his capital or his plant. It will, of course, prohibit all private industry for profit, and thus all instruments and machinery, as private capital, will become useless. But the socialist proposes to make some compensation. Private producers will be privileged to

transfer their plants to the collective state, and they will receive in return an annuity for a number of years, to be fixed according to the value of what they have transferred. This annuity will be in the form of labor certificates. With these certificates the common produce can be obtained and the common service can be utilized, so that the heretofore capitalist, and perhaps his descendants, may live in luxury for ten or twenty or forty years. But no one of them all may go into business; they may not produce; they may not make their capital grow. When the scrip shall have been used up, the descendants shall have to go to work like the rest of the people.

A fair statement. We believe that the foregoing outline contains a very fair statement of the *fundamental tenet of collectivism*. We do not think that in the flood of socialistic journals and pamphlets there will be found a clearer or more comprehensive statement of the first principle of the party which bids for the politico-industrial management of civil society. We have dispensed with citations which, though they might lend an air of erudition, would add nothing to the conviction of a publicly recognized fact.

III.

THE THEORY APPLIED.

**Three things
wanted.**

Now, for a practical view of the operation of the fundamental principle, let us suppose the socialistic state to be agreed upon, and an effort set on foot to put it into running order.

There are three things which we may conceive to be necessary for the very existence and continuance of a civil community along those lines of material civilization with which no one would be willing to dispense. These three things are, briefly: freedom of individual demand, a more or less determinate unit measure of value for the purposes of exchange, and freedom of the individual to choose an occupation and to qualify for the same. No one accustomed to the present material civilization will be willing to change it for a new order of things, unless under that new order he shall be able to provide himself with what he needs, or thinks he needs, as easily as at present; unless he shall have some measure of value and medium of exchange no less convenient than the article which we now call money; and unless he shall have at least the same chance which he now has to select his occupation and to vary the same.

In the present advanced stage of material civilization, these three things are necessary as stimulus or aid to the development of individual capacity. Now, it has never been demonstrated that a state founded on the fundamental tenet of socialism can supply these three needs of the individual in the modern civilization.

Supply of all demands. Take first the case of the supply for every individual demand. First and foremost before all things, what the new collectivist state will have to do will be to regulate supply according to demand. And if that state is to be a success, the supply must be regulated even better than it is to-day. We must understand at the out-

set that in the new state the entire production, the kind and amount produced, and the distribution of all things, in all places, for all emergencies, will necessarily have to be managed by bureaus or committees. It is hardly possible for a human intellect to conceive the enormous governmental machinery which will be required for this one function of the new state. There is here implied not merely the regulation of the supply of coal oil, or shoes, or perfumery, or books, or millinery, or tobacco, or quinine, or coal, of ink, rouge, razors, ice cream, fans, chewing gum—but the supply of each of these and of all of these and of everything, absolutely that is used and is called for, and of everything that *may* be called for.

**Slavery instead of
freedom.**

If that new state cannot and does not actually do this, then, instead of being a liberation, it will be an enslavement; instead of securing freedom it will open at once as the most galling despotism. In the system of free small competition I can always get what I want. The thing I desire may be useful or it may be useless; but, for the moment, I imagine that I need it, and so imagining, I can always get it. Under the small competitive system it requires very little demand to induce some one to undertake to supply the demand. I can always find a mechanic who will take my job and try to execute my idea. My idea may not be the most scientific. That matters very little to the mechanic; but it matters much to me, in my present mood, to have my idea carried out. This freedom of individual demand, taken in the aggregate, is a primary essen-

tial in the material benefits which man is to draw from civil society. I can always have my demand supplied when there is an individual personal profit to be made by supplying the demand. But where governmental machinery will have to be moved in order to carry out my odd idea—which to me is a very bright one—and where the committee can look for no special profit, but only for trouble, in deserting its routine, I cannot expect to get the service which I could easily get from the independent tradesman. Anything outside the established routine of production will then be obtainable only under the difficulties which now attend the passage of a law through a city council.

By what the Committee pleases.

It is necessary to keep this point in mind; that, in the new state, the total population must inevitably be at the mercy of a ruling committee and of a system of committees, and that it is only through the good will of the committee that an individual can have done for himself what he pleases and when he pleases. In the suppression of free demand, therefore, by the elimination of free production, an insuperable obstacle is put to the development of individuality and to the practical, untrammelled exercise of that inventive spirit upon which the purely material progress of a community depends. The new system thus affects not merely the prospective progress, but also the actual contentment of the community; for there can be no contentment in a community when the individual is prevented from spending his earnings upon the things which he happens to fancy.

**Promises Instead
of discussion.**

It is a patent fact that in the socialistic programmes this difficulty of supply to demand has *never been satisfactorily or honestly discussed*. There is abundant promise to the proletaire of magnificent festivals, excursions, pageants, concerts, which every one will be obliged to take in the crowd. But no regard is shown for that domestic exclusiveness of entertainment and that quiet relaxation which we all know form the true enjoyment of the better part of the community.

Some details.

Under this new system, we have to recognize, there will be no usury, no private monopoly. There will be no tenancy or leases, no renting of houses, no real estate agents, no mortgages, no stocks or stock exchanges. There will be no display made by competitors in shop windows, no trading of any kind, no coinage of money, no silver question. Money means private capital that can be introduced into private enterprise for private gain. There could be no private enterprises. There would be only bureaus and committees to decide upon the production and transport of goods, according to the judgment which the committees would be pleased to pass on the needs of the people. Salesmen and saleswomen would not care what you asked for in return for your certificate of a day's labor. They could have no interest in pleasing you. You would have no chance to toss up the goods on the counters two or three times a week. You would have to know precisely what you wanted when you wandered into the dull warehouse on a bright afternoon. The markets and shops of to-day are merely a consequence of

competitive production. In the new state there would be no occasion for them. There would be no page advertisements of startling bargains in the Sunday newspapers. There could be no advertisements at all. There would be no bargains, for there would be no rival establishments. The newspaper would be no power in trade or politics. There would be no trade. Politics would be a thing of the past, just as rival show rooms and warehouses and those obsolete terms, wholesale and retail.

The interest of
the individual.

Where, then, would the interest of the individual be supposed to come in? In this simply, as we have stated, that every man would be supposed to obtain a wage that would be considered to represent the full value of his labor. And this leads us to speak of what we placed as a second requisite in the modern civilized state, namely, some approximately fixed and determinable unit measure of value for the purposes of exchange.

No more money.

In the new state there could be no real money, as we understand the term. With us real money is both *measure of value* and *medium of exchange*. In the new state the two functions of money would have to be distributed. They could not be combined in the same article or instrument. As each member of the community would be supposed to be remunerated according to his contribution in labor to the general store or service, *labor itself*, in some way or other, would necessarily have to be the *measure of value*. The medium of exchange, then, since the labor or the product could not be passed around, would needs have to be a certificate

of labor contributed. This certificate could not be in the form of gold or silver or anything which might have its own value, as a commodity, over and above the labor represented. In the socialistic state, then, the measure of value would be the labor contributed; and the certificate of labor would be the medium for the purchase of the common produce and the utilization of the common service.

The labor hour no
measure of value.

The *labor hour* as the standard measure of value is, indeed, the pivot of the whole socialistic scheme. But it is a pivot which will support nothing; and any scheme which attempts to turn upon it must go to pieces from a thousand and one disasters. Moreover, after going through the long and laborious and specious discussions of Marx and the other socialistic Solons, we discover that it is precisely this solitary, fundamental, essential basis and support of the whole superstructure that they have failed to determine, and that they do not dare to determine.

As a basis for the standard of value and for the medium of exchange there is nothing which I can conceive of as being less determinate or less determinable than the labor hour.

There are two ways only of counting the labor hour: by time employed and by value produced. Is all labor to be paid according to *time* given, with absolute equality? Or is the scrip certificate to have its purchasing power from a given *amount* which has been produced and which shall be regarded as the unit of value?

If the labor hour is to be paid by mere time, then,

when you are working amongst a hundred men to produce the common store, and you are working harder than the ninety-nine, they will be receiving the fruit of your labor and you will be receiving none of theirs. They will be reducing your wages and you will be raising theirs. This is against the fundamental tenet of socialism, *i. e.*, that every man shall receive the full wage due to his labor. In a population of a million you will have to know that 999,999 are working as industriously for you as you are working for them. To be satisfied that the principle is in operation you must know that you are not laboring to cover over other men's laziness and fraud of time. If you give to each labor hour of the industrious, of the lazy, of the skilled, of the ignorant, the same remuneration, it will not take thirty days to banish from the community every indication of industry and skill. In sixty days the collective society will be bankrupt, because there will not be on hand the produce which the scrip calls for. If you get a dollar for your hour's work, no matter how much you do and no matter how you do it, it stands to reason that you shall not expend your care and energy, to earn a dollar which you can get with equal certainty for the same slow, heedless hour which your neighbor devotes to the public service of production. It is simply incredible that intelligent collectivist-socialists of twenty years ago should not have seen the contradiction between the end intended, *i. e.*, the remuneration of labor to its full value, and the means proposed to accomplish the end, *i. e.*,

the measuring of the value of all labor equally by pure duration. The system was certainly very simple. Its simplicity brought it adherents, especially among the indolent. The simple system helped to create the party, and we see it still practically set forth to-day in the unwise demands of some local labor organizations. But, Marx and other leading collectivists of his day found themselves obliged to recede from too much insistence upon the time measure for the value of the labor hour.

Minimum produc-
tion.

If we take the thing in reason, and in its entirety—as we must always do when discussing a scheme—we have to see that scrip certificates for hours of labor cannot possibly have a purchasing power beyond amount and value produced. A labor hour can give purchasing power to a scrip only by reason of some definite amount produced in the hour of labor. If a thing has not been produced it cannot be purchased. Now, there are no two men whose hour of labor can be counted upon to give exactly the same results. Neither is the labor hour of the same person always uniformly productive. Thus the value of the scrip to have any definite purchasing power must be measured by the minimum production. It stands to reason, then, that each one will produce his minimum, seeing that he can receive no more for the scrip that testifies to his labor. We cannot conceive of the long continuance of a state where every citizen is doing as little as he possibly can, to the end that he may not be imposed upon by the idleness of all the other citizens.

is amount produced
the value? The other way, as we have said, of making the hour of labor the measure of value is to take account of what is produced. This is, indeed, to eliminate pure time as a measure of value and to measure value by the need, desirability or mere demand (for demand may not be suppressed) of articles produced and services rendered. An estimate of relative value will then have to be passed on everything that may be demanded. As a certificate scrip for production of one kind will have to be accepted in exchange for service and commodities of every kind, it will be necessary to establish a ratio of value between each resultant of labor and every other resultant of labor. Each resultant of labor through all the stages of production will have to have its schedule of fixed ratios with everything that can be produced and with every service that can be demanded; since the scrip representing it will have to be exchangeable for everything to be found in the community. Now, if, as we are told, there is so much difficulty in maintaining a ratio between two metals as unvarying as gold and silver, the supply of which, as inert matter, can, in a degree, be regulated, how shall we make up ratios for the labor hours of fifty million persons applying themselves in a million different industries to the production of things that are unequally necessary and of shifting desirability? If pure time measure for the value of the labor hour was marvelously simple, in this other only alternative of the collective state, the establishing of all the ratios, we have something that is no less marvelously complex.

An illustration in ratios.

The difficulty of the ratios will become manifest in a brief illustration. Let us take simply the *final* labor expended upon the finishing of a *few* articles that are now produced. Let us say, merely by way of example, that for this finishing labor A produces in an hour 30 pairs of suspenders; B produces 80 gallons of molasses; C, the milliner, produces one spring hat; D produces 9 kegs of nails; E produces 25 gross of wooden toothpicks; F produces 19 gross of hairpins, and G produces 1 violin. We are taking only a few articles, and we are considering only the last touches upon these articles. We are not considering the multifarious distinct kinds of productive labor hours that have previously been given. For this we should have to introduce the ploughing of fields, the planting of cotton and cane and flax, the milling, the smelting of copper and tin and iron, the felling of trees, the sawing of wood, the harvesting and gathering and carding and spinning and weaving, the manufacture of machinery, the transport, the storing, the dispensing for distribution of material, etc., etc. We leave all this out, though it would have to be introduced in the complete scheme even for these few articles as well as for a million more. Now, taking the labor of the finishing touches, where is the labor of the most value? Sit down for a year with your pencil and paper and work out the answer. Take your ten years, or twenty. You cannot do it. Half the world believes that a working equivalent cannot be found between two pure metals, silver and gold. How shall it be found between a million, between fifty million arti-

cles produced, between all the various kinds of labor results contributing to their final production? What are the precise relative values of the labor hour employed in weeding a potato patch and the labor hour devoted to sewing on glove buttons? How many dozen glove buttons will balance an acre of potatoes? If you are a socialist and do not wish to commit yourself to paying for mere time, independently of what is done, you will be obliged to establish this little ratio, together with a million more. You will, besides, be obliged to re-establish the ratios every day according to the fluctuating value put upon anything and everything by the changing tastes of the community.

Who will have first choice?

But let us suppose that you have succeeded in laying down a few ratios between commodities or various kinds of public service, say between street cleaning, making ice cream, playing the bass drum and pulling teeth. The ratios could not be established with anything like the exactness of the ratio that can be established between silver and gold. But let us suppose that you have succeeded in working out the six ratios, showing the value of each of these kinds of labor hour in terms of each of the others. How are you going to decide who is to have the privilege of applying himself to the most lucrative kind of labor? Who shall be obliged to take the labor that is less remunerated, even whilst he is willing and anxious and competent to do the better rewarded labor? In fairness, there can be but one way to determine the individuals who are to have the preference; an examination test,

established for every occupation and free to all comers. The whole land will be turned into a school of civil service contests. If you do not wish this endless examination, which will stop the wheels of business, you have but one alternative: you must allow the members of the committees to give the best places to their friends—and within sixty days you will have the community in a bloody revolution.

We dismiss altogether the question of hard labor which has been utterly unproductive for the community, a question that must arise in regard to agricultural labor whenever there is a failure of the crops. Time measure here could be the only measure, and the prospect of a time measure, as we have seen, would always mean the minimum of exertion, and hence the minimum of food produced.

**An illustration—
the physicians.** In regard to this third point, namely, choice of occupation, let us take a single case in the higher professions. In the collective state, who will be the physicians? If there are to be physicians, they will, of course, have to be educated at the public expense. As the young men to be educated cannot be expected to have laid by any labor certificates to serve for their support during the time of their medical studies, it is clear that they will have to receive for their hours of study—say eight hours *per diem*—corresponding labor certificates as for so many hours spent in the public service. And, indeed, their services will have to be specially remunerated; for, as they will be deprived of the active, open-air exercise which is the privilege of those who labor in the fields, they will require a more easily

digested and hence a more costly nourishment. The daily bacon and corn-bread which would be the delight of the herdsman and of the log-roller would bring chronic dyspepsia to the medical aspirant; and it is important, as a matter of grave moment in therapeutics, that the physicians who survive should not all be dyspeptic.

They will all have to be fittingly supported during their studies. This being fixed, there arises the problem of the selection of candidates. Let us suppose that one hundred physicians are considered to be sufficient for a given quadrangle of the socialistic state. How shall they be chosen? All the boys and girls of ten years of age will have a right to demand that they be educated for the medical profession. Here at the start is an insuperable difficulty. But let us suppose that at length four thousand young men and women of the age of twenty years present themselves to begin the medical studies. Out of these it may be necessary to select three hundred, in order to make allowance for death and failure. The selection will have to be made by a committee? Will it select at random? That would not be justice to the community. Will it select its friends? That would not be the equality of distributive justice which is the professed aim of the collective state. Will it select according to previous examinations in schools of art and letters? Knowledge of arts and letters is not a criterion of certain very important qualifications which should be looked for in those to whom the lives of the community are to be entrusted. There are certain moral and physical qualities which

can exhibit themselves only in the course of practice, and which—any physician will attest it—go far to make up the necessary equipment of the medical practitioner who is to be of real value to the community. These things cannot be foreseen by and committee. Hence, no committee can make a fit selection of subjects for education in medicine.

We shall, nevertheless, suppose that the committee does make a selection of the three hundred who are to pursue the medical studies. As we have said, these students will have to receive their salary or wages for study. What guarantee can we have that they will really fit themselves for the best public service? For, the practice of medicine will have to be a public service, since there can be no competition. No more can be done than to establish a minimum percentage which one must reach in order to be accepted as the public servant. And in the doing of this the entire medical profession is reduced to a minimum of excellence. For, nine-tenths of those who, under the system of private competition, would have labored for a maximum of excellence, will, under the new system, labor only for the minimum which is demanded for the earning of the daily wage in the public service—the only thing they can aspire to. In a word, the entire profession is degraded, and the entire community is put at the mercy of the half-educated charlatans. Drugs, medicines, under the new system, will have to be as free as water. The members of the community, on labor hour certificates, cannot be expected to lay by enough to cover the expenses of a long illness. Everything for the

infirm and incapacitated will have to be done by public hospital service. But where nurses and doctors and all persons entrusted with the health of the citizens are qualified for their service by a minimum examination, we may well pity the community that is subjected to the collusion of such servants whose wages are independent of the efficiency of their service. And all this is only a meagre outline of but one illustration taken at random from a hundred thousand.

Wages of the
unemployed.

We may remark here that it is a necessary consequence of the socialistic scheme that every person who is at least *willing* to work must be entitled to the labor wage. Hence it must be a socially inevitable fact that at all times there shall be many who shall receive the labor wage whilst doing no work. For it is impossible that *all* persons in the same locality shall always be producing. Yet such persons are fully entitled to the labor wage, for the principle of equality demands that it be not arbitrarily given to one in preference to another. If, however, actual labor should be counted a necessary condition for the receipt of the wage, then those for whom there would be nothing to do in a locality would have to be transported at public expense to another locality where labor would be possible. Thus there would be an endless shifting of populations; there would be a continual breaking up of families—a vital blow given to one of the fundamentals of human liberty.

The dilemma.

To return to the second requisite in an industrial State: the new socialism has set itself the task of specifying what it means by

the labor hour as the measure of value—whether that measure is to be the time of the labor or the utility of the result: the hour or the product. As we have seen, the product must necessarily enter into the standard. But, as we have also seen, this will give us a standard the most fickle, fluctuating and complex that could possibly be devised. For the purpose of avoiding a more bewildering complexity we have omitted to hint that even the use value of a product could be justly decided upon in no other way than by the voice of the whole community. If a few individuals want a certain article and this article has to be produced for them, the labor expended for their idea would be so much labor taken from the production of what is really desired and used by the whole of the community; and the diminution of the supply would mean an increase in the price of the commodity that is demanded by all. Socialist leaders see their dilemma. Hence they are reticent or overcautious in their expressions upon the use value of labor. They are apprehensive of the shoal of rocks upon which their phantom ship must go to pieces. For the most part, therefore, we find them still *specifying* by the *time* and *glossing over* the *general use value* of the labor in which the time is spent. But this mere time value, the equal wage for time spent and not for service rendered, must always be felt by the great body of workmen as a discrimination against their industry and skill; nay more, as a reproach by law to their spirit of enterprise and their justifiable desire of progress.

The details.

We have insisted on the discussion of details. Socialist writers avoid these details which cannot be worked out satisfactorily even in theory. They insist upon a general end in view: the fruit of labor for the workman. But an end cannot be reached without the use of means. The solitary means which they propose will not stand the test of construction. No program is offered embodying the practical working details of the new system which society is urged to establish.

A man will not be thought unreasonable if he asks for specifications in so small a matter as the building of a cottage. It need not be a matter of wonder, then, that the body of the citizens also ask for specifications when they are approached with the gigantic proposal of tearing down and rebuilding the entire political and social edifice. A man is not to be looked upon as hostile to the welfare of the community at large, when after sincere inquiry he sees that he cannot assent to a project which is not reducible to the details of construction: for a plan is accounted as acceptable solely to the extent to which it is available in its working details. A method, such as common ownership, national or municipal, which may have a limited application for *certain things in certain localities*, is not therefore proved to be the one necessary method that must be applied broadly to the entire activity of the human race. If we study the long history of abandoned theories, philosophical and social, we shall see that the repeated effort to argue from the particular to the universal has resulted in a series of impediments to intellectual and political progress.

Point of view.

We have said nothing of the attitude of the new socialism toward religion. This would afford matter for special consideration. We have undertaken solely to consider the possibility of the *economic* scheme as judged by its *fundamental* principle. In this view we have to remember that there is no temporal advantage which can compensate a man for the repression of his individuality, of his native autonomy. The development of his individuality implies freedom in the exercise of the right to earn. An absolute collectivism must stand in the way of this development, since its first measure is to forbid the untrammelled exercise of the right to earn. There is another thing which is implied in the development of individuality, namely, the right to learn. The restrictions which an absolute collectivism must necessarily put upon this right would furnish matter for a separate study.

A distinction.

In discussions like unto the one which we have here outlined, it is necessary and of very great consequence that we know how to distinguish between official documents and unofficial commentaries. The official declarations, several of which we presented in the beginning, tell us that socialism is a system of government by which it is proposed to establish an economic equilibrium through the absolutely collective ownership of *all* the means and instruments of production. Hence the name, socialism, is radically misapplied when it is made to stand for national or municipal ownership of *certain* public utilities. If that were socialism, then socialism exists wherever there is a civil community. For there

is no State or City in which there is not national or city ownership of something or other. When a city runs its own plants for light, water and rapid transit, that is not socialism any more than when the city runs its own court-house, jail and hospital. And even if a city were to own and operate absolutely everything within its limits, this would not yet be socialism. Socialism is a *system of national government* which by the common ownership of *all* the means of production, transportation, distribution, is to put an absolute stop to *all* competition. City could not compete with city, for this would only intensify the very condition which socialism wishes to eliminate. The system is meant to embrace the whole people and to affect each and every citizen singly and separately. It is to be so perfect that no citizen shall in leisure hours, after the labor day and by night and on holidays, make anything to sell to his neighbor.

If such private work for private profit were allowed to one man, it would have to be allowed to another. Then all the art and genius and thrift and industry would soon be at work privately—each man trying to better his condition by producing fine work with which he could well afford to undersell the common factory. Then there would be competition between these thrifty individuals. Next there would be combinations between these competitors. Finally, there would be competition between the combinations, the present state of things which socialism proposes to abolish. Hence, the first law of the system, as officially set forth, must be, that no man shall produce anything to sell for private profit.

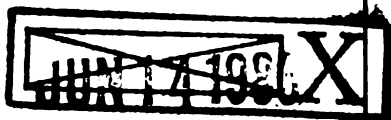
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